

NPCI/2014-15/CTS/051

June 17, 2014

To

All the member banks of CTS clearing

Dear Madam/ Sir,

Sub: Adherence of paper to follow process

Adherence to Paper to follow process is very essential for the timely clearance of instruments and credit to the customers. Deviation in the process will cause inconvenience to the member banks as well customers. The member banks have to invest a lot of time to resolve the issues pertaining to P2F. For the benefit of the member banks we have summarized all the critical aspects that need to be followed by member banks during the P2F process

As presenting bank

1. Segregate the physical instruments on an ongoing basis during the presentation session.
2. After completion of the presentation session generate paper to follow report and tally the physical instruments.
3. Segregate the instruments bank branch wise and come to P2F center with the instruments and P2F report.
4. P2F session starts one hour after the closure of the presentation session, be in time for the session.
5. Hand over the P2F cheques to respective drawee banks and get acknowledgement from the drawee bank.
6. In case any of the member banks not present in the premises to receive the instruments then a complaint should be raised with the official/representative of NPCI.
7. In case the drawee bank returns with the reason "present with paper" please ensure such instruments are presented with paper, don't return such instruments to the customer without presenting them as required by the drawee bank.

At P2F centers:

1. Instruct the representative to wear their ID cards. Please note that to avoid outsiders entering the premises it is essential that all the representatives carry their I-cards and display the same.
2. The representative should write his details legibly and sign the attendance register on daily basis.
3. The banks should mutually co-operate and exchange the instruments in orderly manner.
4. The representative of the bank should remain in the premises till the P2F session is declared closed. However the exception can be that if the bank don't have any instrument or submitted/received all the instruments for the day can leave the premises.

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5. In case of any infrastructural/procedural issues at the P2F center, the same should be brought to the notice of the service branch in-charge of the respective bank, who shall in turn take this up with NPCI. Please direct your representative to not to enter into an argument with the service provider.

As Drawee bank

1. Should verify the physical instruments given by the presenting bank against the list of instruments.
2. After verification the drawee bank should provide an acknowledgment to the presenting bank.
3. The drawee banks should not acknowledge the listing of the presenting bank without verification.
4. In case of failure on the part of the presenting bank in handing over the physical instruments within the time stipulated then the drawee bank should raise complaint and get the same registered with NPCI representative or service provider.
5. The drawee bank should ensure that the physical instruments are carried to the processing center.
6. If other center P2F cheques are received, where the bank follows the decentralized model for processing of the instruments, drawee banks should not return the instrument. Bank should develop an operating model, where they have to communicate internally between cheque processing centers for processing of P2F instrument.
7. After having received the physical instruments the banks should not return such instruments with the reason "Paper not received" and "Present with Paper".
8. In case where the physical instrument is not received by the drawee bank then such instruments should be returned.
9. Banks should preserve the P2F checks separately as they do for the outward instruments.

Return Cheques:

As drawee bank:

1. In case of a P2F instrument is returned for any reason (other than "paper not received" or "Present with paper") the drawee bank should note that they have the physical instrument which should be returned to the presenting bank.

For detailed P2F process you may visit: <http://www.npci.org.in/GridCTSPresentation.aspx>

Thanking you
Yours faithfully,



Giridhar G.M.
(VP and Head - CTS & NACH Operations)